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COUNSEL
David Newton

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John B. Walker
Executive Secretary

June 23, 2006

Ms. Brenda Erdoes, Legislative Counsel
C/o Debra Corp
Legislative Counsel Bureau (LCB), Legal Division
401 South Carson Street
Carson City, Nevada 89701-4747

**Re: State Environmental Commission -- Petition #2006-10
Air Pollution Control Permitting Fees**

Dear Ms. Corp:

Enclosed for "drafting" by the LCB Legal Division is a proposed permanent regulation that amends NAC 445B. This regulation proposes to amend the fee structure in NAC 445B.327 to make the revenue generated more commensurate with the expense of administering the Division of Environmental Protection's air quality control program.

Specifically, the regulation would increase the application fee for a Class II general permit and a surface area disturbance from \$400 to \$500; and clarify that the first year's annual maintenance fee for a "new source" is included in the application fee.

For annual fees based on emissions, the regulation would increase the fee for Class I sources to \$16 per ton for each regulated pollutant; repeal the fee for Class II sources, and add an inflationary adjustment factor of 2 percent compounded annually.

For annual fees based on maintenance, the regulation would increase the fee for all Class I sources, adding a tiered structure; adding a 4th tier to the Class II fee structure; increasing the fee from \$250 to \$500 for Class II sources with a potential to emit less than 25 tons per year; increasing the fee for surface area disturbances, (adding a tiered structure based on acreage permitted); and adding an inflationary adjustment factor of 2 percent compounded annually.

In addition to these changes the regulation would provide "sources" with an opportunity to request a pre-application review by the agency for a fee.

Additional supporting information for this proposed regulation is available on the SEC website at the following address:

http://www.sec.nv.gov/main/hearing_0906.htm

The point of contact at NDEP for this amended regulation is Ms. Adele Malone, Bureau of Air Quality Planning (687-9356).

Sincerely,

John B Walker

John B. Walker
Executive Secretary

JBW/jbw
Enclosure

ec: David Newton, Deputy Attorney General
Leo Drozdoff, P.E. – NDEP Administrator
Colleen Cripps, NDEP Deputy Admin
Mike Elges, NDEP – BAPC
Jennifer Carr, NDEP – BAQP
Adele Malone, NDEP – BAQP